

MAR 29 1967

Sanitized - Approved For Release : CIA-RDP75

CPYRGHT

LBJ Tells CIA to End Subsidies

CPYRGHT

WASHINGTON, March 29

(AP)—President Johnson ordered the Central Intelligence Agency today to begin cutting off all subsidies to private educational, philanthropic and cultural organizations.

The spending cutoff also applies to all other federal agencies.

Johnson also announced he is setting up a special committee—to include private citizens—to study ways in which the government can openly channel financial aid to private organizations.

The President acted after receiving a report from a three-man committee he appointed last month after a controversy followed disclosure that the CIA was making secret subsidies to the National Students Assn., certain labor unions and other groups.

In a key finding, the committee proposed that "no federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations."

Johnson said in a statement he accepts this policy.

The President also went along with another committee recommendation that where support has been given, "it will be terminated as quickly as possible without destroying valuable private organizations before they can seek new means of support."

The panel that studied the CIA subsidy setup told John-

son it believes subsidies could largely, and perhaps entirely, be ended by Dec. 31. Johnson said:

"I accept this committee's proposed statement of policy and am directing all agencies of the government to implement it fully."

Secretary of State Dean Rusk will serve as chairman of the new committee that will consider a recommendation "that the government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support."

FOIAb3b

Sanitized - Approved For Release : CIA-RDP75-00149R000400220028-7